FINANCE SECRETARIAT

Rate of interest on Provident Fund Deposits for the year 1968-69—Method of computing interest.

REFERENCE—

Government Notification No. FD 120 PPF 68, dated 27th May 1968.

OFFICIAL MEMORANDUM

No. FD 273 PPF 68, BANGALORE, DATED THE 24TH DECEMBER 1968.

In the Notification dated 27th May 1968 the rate of interest on the balances at the credit of the subscribers to the State General and other Provident Funds was fixed at 5.10 per cent per annum for the first Rs. 10,000 and 4.80 per cent per annum for sums in excess of Rs. 10,000.

To overcome the difficulty in calculation of interest at the rates notified, especially in cases where the balance at the credit of the subscriber is Rs. 10,000 or less at the commencement of the year 1968 69 and increases on credit of further subscription to over Rs. 10,000 during the year or where the balance at credit is more than Rs. 10,000 and decreases during the course of the year due to withdrawals, etc., Government of India have suggested a method of computing interest (copy appended).

The method as suggested by Government of India may also be adopted for calculating the interest on the State General and other Provident Fund Balances for 1968-69.

MAZHARUL HAKH,
Under Secretary to Government,
Finance Department.

STATEMENT

Method of Calculation of Interest

Balance as on 1st April 1968 = Rs. 9,500

Month	Sub cription	Refunds	Withdrawals	Balance at the end of each month
4/68	100	...	...	9,600
5/68	100	...	...	9,700
6/68	100	...	...	9,800
7/68	100	...	...	9 900
8/68	100	...	...	10,000
9/68	100	...	...	10,100
10/68	100	...	...	10 200
11/68	100	...	1,200	9,100
12/68	100	...	...	9,200
1/69	100	50	...	9,350
2/69	100	50	...	9 500
3/69	100	50	...	9,650
		Total	...	1,16,100
		Average monthly balance	...	Rs. 1,16,100
				12
			...	Rs. 9 : 75
		Rate of interest to be applied	...	5.10% on Rs. 9,675

Note.—If the average monthly balance works out to more than Rs. 10 000 say Rs. 12,000, interest will be calculated as follows.—

(i) on Rs. 10,000..... .....at 5.10 per cent.

(ii) on the balance
viz., Rs. 2,000.....at 4.80 per cent.